

**Amendments to the Claims:**

This listing of claims replaces all prior versions and listings of claims in the application:

- 1.(Currently Amended) A method for ~~determining an effectiveness of~~ qualifying a hedge ~~on~~ of a hedged item for hedge accounting, said method comprising the steps of:
  - determining a standard deviation of changes in value of said hedged item over a known time frame;
  - determining a standard deviation of a combination of said changes in value of said hedged item and changes in value of a hedging vehicle over said known time frame; ~~and~~,
  - determining a ratio between said standard deviation of changes in value of said hedged item and said standard deviation of changes in value of said hedged item and changes in value of said hedging vehicle; and
  - comparing the ratio to a known level to determine whether the hedge qualifies for hedge accounting.
- 2.(Original) The method as recited in claim 1, said method further comprising the step of: determining a volatility measure as a complement of said ratio.
- 3.(Original) The method as recited in claim 1 wherein said known time period is selected from the group of monthly, quarterly, yearly.
- 4.(Currently Amended) The method as recited in claim 1 wherein effectiveness is determined when said ratio is below ~~[[a]]~~ the known level.
- 5.(Currently Amended) The method as recited in claim 2 wherein effectiveness is determined when said measure is above ~~[[a]]~~ the known level.
- 6.(Original) The method as recited in claim 4 wherein said known level based upon

conventional financial considerations.

7.(Original) The method as recited in claim 5 wherein said known level based upon conventional financial considerations.

8.(Currently Amended) A system for ~~determining an effectiveness of~~ qualifying a hedge ~~on~~ of a hedged item for hedge accounting, said system comprising: a processor in communication with a memory; said processor operable to execute: code for determining a standard deviation of changes in value of said hedged item over a known time frame; code for determining a standard deviation of a combination of said changes in value of said hedged item and changes in value of a hedging vehicle over said known time frame; ~~and~~; code for determining a ratio between said standard deviation of changes in value of said hedged item and said standard deviation of changes in value of said hedged item and changes in value of said hedging vehicle; and code for comparing the ratio to a known level to determine whether the hedge qualifies for hedge accounting.

9.(Original) The system as recited in claim 8, wherein said processor is further operable to execute: code for determining a volatility measure as a complement of said ratio.

10.(Original) The system as recited in claim 8 wherein said known time period is selected from the group of monthly, quarterly, yearly.

11.(Currently Amended) The system as recited in claim 8 wherein effectiveness is determined when said ratio is below ~~[[a]]~~ the known level.

12.(Currently Amended) The system as recited in claim 9 wherein effectiveness is determined when said measure is above ~~[[a]]~~ the known level.

13.(Original) The system as recited in claim 11 wherein said known level based upon conventional financial considerations.

14.(Original) The system as recited in claim 12 wherein said known level based upon conventional financial considerations.

15.(Canceled)

16.(Currently Amended) The system as recited in claim ~~15~~ wherein said means for inputting is selected from the group of 8 further comprising an input device for inputting said change in value data, said input device comprising at least one of a keyboard entry, a magnetic medium, an optical medium, and electronic transfer over a network.

17.(Canceled)

18.(Currently Amended) The system as recited in claim ~~17~~ wherein said means for inputting is selected from the group of 11 further comprising an input device for inputting said known level, said input device comprising at least one of a keyboard entry, a magnetic medium, an optical medium, and electronic transfer over a network.

19.(Canceled)

20.(Currently Amended) The system as recited in claim ~~19~~ wherein said means for inputting is selected from the group of 12 further comprising an input device for inputting said known level, said input device comprising at least one of a keyboard entry, a magnetic medium, an optical medium, and electronic transfer over a network.

21.(Currently Amended) The system as recited in claim ~~15~~ 16 wherein said processor is

in communication with said input ~~means~~ device.

22.(Currently Amended) The system as recited in claim ~~45~~ 16 wherein said input ~~means~~ device is in communication with said memory.

23.(Currently Amended) The system as recited in claim 8 further comprising: ~~means~~ a display for displaying said ratio.

24.(Currently Amended) The system as recited in claim 9 further comprising: ~~means~~ a display for displaying said measure.

25.(Currently Amended) The system as recited in claim 11 further comprising: ~~means~~ a display for displaying said effectiveness.

26.(Currently Amended) The system as recited in claim 12 further comprising: ~~means~~ a display for displaying said effectiveness.